

SPECIAL CITY COUNCIL MEETING
MAY 26, 1987

PRESENT

Ruth Hansen
Craig Greathouse
Don Dafoe
David Church
Neil Dutson
Gayle Bunker

Mayor
Council Member
Council Member
Council Member
Council Member
Council Member

ABSENT

None

OTHERS PRESENT

Jim C. Allan
Dorothy Jeffery
Richard Waddingham
Neil Forster
Roger Young
Morris Burton
Deann Burton
Alan Viers
Vonnice Viers
Ron Haag
Judy Haag
Kim Taylor
John Nickle

City Manager
City Recorder
City Attorney
Public Works Director
Chief of Police
Police Officer
City Resident
City Resident
City Resident
City Resident
City Resident
Police Officer
Nickle Insurance Agency

Mayor Hansen called the meeting to order at 7:15 p.m. Dorothy Jeffery, City Recorder, acted as secretary. Mayor Hansen stated that notice of the meeting time, place and agenda was posted at the principal office of the governing body located at 76 North 200 West and was provided to the Millard County Chronicle/Progress, the local radio station, KNAK, and to each member of the City Council by personal delivery two days prior to the meeting.

COUNCIL MEMBER CRAIG GREATHOUSE: ZONE CHANGE REQUEST FROM CD TO R4

Mayor Hansen asked Council Member Craig Greathouse to review a proposed zone change request from CD to R4.

Mr. Greathouse explained that the proposed zone change was being requested by Paul Alan Viers for the purpose of refinancing his

home, and banks do not refinance loans on homes within a commercial district.

Mr. Greathouse said that Mr. Viers has appeared before the Planning Commission, and the Zoning Commission voted in favor of the proposed zone change.

Council Member Craig Greathouse further explained that a public hearing was held prior to City Council meeting for the purpose of considering the proposed zone change request from CD to R4.

Following a brief discussion, Council Member Craig Greathouse MOVED to authorize a zone change request from CD to R4 on the following property:

Beginning at the Southeast Corner of Lot 1 Block 50
Plat "A", Delta Townsite thence North 123.75', thence West
247.5'; thence South 123.75' thence East 247.5' to the
point of beginning.

The motion was SECONDED by Council Member Don Dafoe. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she called for a vote. The motion passed unanimously.

JOHN NICKLE, NICKLE INSURANCE AGENCY: DELTA CITY FY 1987-1988
INSURANCE

Mayor Hansen asked John Nickle of Nickle Insurance Agency to discuss with the Council proposed Delta City Fy 1987-1988 Insurance.

Mr. Nickle said that he is trying to get an A+ rated company to issue Delta City a "City Package". He said that Great American has verbally agreed to submit a package within the next two weeks, which would save the City money on property coverage. He said that Great American will write the same policy as Landmark America in order to avoid tail coverages. He also said that because Great American is an A+ rated company, their rates will be less for General Liability coverage.

Mr. Nickle said that he will guarantee a binder without increasing the premium over the bid price no later than 10 days prior to the expiration date.

City Manager Jim Allan reminded Mr. Nickle that the first bid package from Nickle Insurance Agency was presented at approximately \$70,000, and asked how much a City package would cost Delta City.

Mr. Nickle said that originally there was an approximate \$13,000 difference between Nickle Insurance Agency's bid price and Utah Local Government Insurance Trust's bid price. He also said that on the tail end endorsement he would reduce \$600 out of the tail end coverage, making a price difference between Nickle Insurance Agency and Utah Local Government Insurance Trust of approximately \$10,000. He said that he is hoping to bring the price difference down between \$5,000 and \$7,000, for a total insurance package of \$60,000 to \$63,000.

Mr. Nickle briefly reviewed Employee Health Insurance with the Council and said that he would present firm price quotes to them by June 10, 1987.

CITY RECORDER DOROTHY JEFFERY: DELTA CITY EMPLOYEE HEALTH INSURANCE

This item was tabled until the next regular City Council meeting.

CITY MANAGER JIM ALLAN: DELTA CITY FY 1987-1988 BUDGET

Mayor Hansen asked City Manager Jim Allan to review the proposed Delta City FY 1987-1988 Budget.

Mr. Allan said that a Staff Meeting was held with all department heads to discuss the FY 1987-1988 Budget. Mr. Allan then presented the following memorandum:

TO: City Council
FROM: Jim C. Allan
DATE: May 26, 1987
SUBJECT: Supplemental Letter #1 - Tentative Budget

A. GENERAL

Recent data on project revenue, together with that on expenditures, indicate that it will be necessary to make further adjustments with departmental expenditures to bring the general fund into balance.

B. PROBLEM

1. Remaining unresolved is the issue of health insurance for employees. Because this would add additional expenditures to the General Fund, this issue poses a significant problem.
2. Also unresolved is a final determination of which carrier to use for liability and property insurance. Any increase in this expenditure over that budgeted for can only result in further reductions in City services.
3. The most recent revenue forecast indicates that there will be an approximate \$50,794 General Fund surplus. This is less than anticipated and, in combination with the trend in expenditures, will result in a General Fund surplus shortfall of \$43,433.

C. DISCUSSION

1. Assumptions

- a. That IPA will permit the City to hold any funds from Agreement #47 which are in excess of actual expenditures in FY 1986-1987 and use them for funding the Regional Park and Recreation for six months during FY 1987-1988.
- b. That Revenues will approximate \$86,202 between 20 May and 30 June, which would result in \$1,194,603 of total FY 1986-1987 revenues.
- c. That Expenditures will approximate \$1,143,809 of total expenditures for the ending fiscal year.
- d. That the City Council does not pursue any other course of action to generate any additional revenue for FY 1987-1988 budget year.

2. Correcting Fund Balance Shortfall

In looking at all the 18 departments to be funded by the General Fund, it appears that 9 departments could be tapped further for reduced activity (see Enclosure #1). If no alterations were to be made in the Special Funds, the above shortfall would require an approximate 10% reduction in 8 departments. This is substantial and probably could not be absorbed based on already existing cuts, proposed service levels and manning levels.

The shortfall could be partially mitigated if the \$17,739 General Fund transfer were not made to fund the major share of the Central Park Storage and Restroom Facility. If the latter action were taken it would result in \$25,694 of reduced service in the 8 departments and would be equivalent to a 6% reduction. This amount of a reduction is more plausible for the General Fund Departments, but extensively at the expense of the Central Park Project. If the action were favorably considered by the City Council, an alternative funding source for the Park Project could be the Utah Municipal Finance Pool II.

3. Parks and Recreation Funding

In discussing the various possibilities to correct the General Fund Budget shortfall, one of the questions has to be the acceptability of the City Council's decision to fund the Parks and Recreation Department for half a year. The answer to the question appears to be that there is a savings to fund the latter if IPA permits the City to retain any Agreement #47 surplus for FY 1986-1987. The unfunded concept, i.e. the City not providing any money for the Regional Park and recreation, would leave the City with a \$43,890 General Fund shortfall, while the funded concept would leave \$43,433. Again, the acceptability of the funded concept is predicated upon IPA's permission to use the excess impact money.

Al Pitzer has indicated verbally to favorably consider the idea and to weigh the situation based on the need of the City and on the possibility of not operating the Regional Park if such funding were not provided. The decision to permit the retention of unused funds will be based upon continued progress to get the Regional Park into the West Millard Recreation District, and the City's ability to adequately argue its position and need in the next few weeks.

Enclosure No. 1: Possible General Fund Departments able to
accept adjustments

| <u>Department</u> | <u>Proposed Budget</u> | <u>6%</u> |
|------------------------|------------------------|-----------|
| Mayor and City Council | \$ 22,440 | \$ 1,346 |
| Recorder | 30,718 | 1,843 |
| City Attorney | 39,421 | 2,365 |
| City Hall | 90,175 | 5,410 |
| Police Department | 197,047 | 11,823 |
| Library | 36,447 | 2,187 |
| Celebrations | 6,154 | 369 |
| Airport | 8,650 | 519 |

Mayor Hansen asked if there were any further comments, questions, or items to be discussed. There being none, Council Member Don Dafoe MOVED to adjourn. The motion was SECONDED by Council Member Gayle Bunker. Mayor Hansen asked if there were any further comments or questions regarding the motion. There being none, she declared the meeting adjourned at 7:50 p.m.



RUTH HANSEN, Mayor

DOROTHY JEFFERY
Delta City Recorder

MINUTES APPROVED: 6-08-87